

## **UPDATED SUMMARY OF SUBSTANTIAL CHANGES TO THE 2015 GUIDELINES**

1. Agency only funding will not be included as an option in the CHOICE 2015 application.
2. CHOICE Financing:  
Single-family/detached housing – The Agency will provide shared construction funding and subsidy during construction. (Previously subsidy for all projects was available after the construction loans were depleted.)  
Mid-rise multi-unit building – The Agency will provide shared construction funding and subsidy. Subsidy funds will be available for draws only after the construction loan funds have been depleted.
3. Developers are permitted to include counseling fees and a 3% sellers concession fee (to be used towards closing costs) as budgeted line items for any units that are not eligible for the Agency's 100% Financing Program.
4. The Agency shall charge a nonrefundable application fee of \$4,000 for for-profit developers and \$2,000 for non-profit developers. (Previously the amounts were \$3,000 and \$1,500 respectively.)
5. Income restricted affordable units cannot be part of a CHOICE project. (Previously, less than or equal to 20% of the project was eligible to be affordable without CHOICE subsidy if proof of need was demonstrated by evidence of municipal support.)
6. Scattered site projects will be considered where properties involved in the project are contained within an approximate 1/4 mile radius of the most central property. (Previously this was 1/8 mile radius.)
7. The sale of each EMU shall be subject to a Shared Appreciation for 10 years. Under this restriction, at the time of an arms length sale, conveyance, or refinance of the EMU, and in an amount that shall not exceed that of the subsidy attributed to the unit, the buyer shall repay the Agency from Net Proceeds 100% of the net appreciation should the unit be sold/refinanced during the first 3 years, with a decrease of 12.5% each year thereafter. (Previously there was a 15 year restriction.)
8. Unit Options – At time of application, developers planning to offer unit options must submit the list of options, including the cost to the developer and the cost to the homebuyer, to the Agency and to the Participating/Lender for approval. In no event will the cost to the homebuyer exceed 20% over the actual cost to the developer.  
  
Developers will be permitted to offer options to buyers that will increase Agency-approved sales prices of any units by up to 20%, but shall not result in an increase of the approved developer fee.
9. The "Total Development Cost" shall be increased to \$275,000 per unit. (Previously this was \$250,000 per unit.)
10. The budgeted per square foot cost for "Residential Structures" should not exceed \$130 per square foot, (\$150 per square foot if on-site and off-site infrastructure are included) for construction projects. (Previously this was \$125 and \$140 respectively.)

11. Pre-Sales – Developers of multi-level condominium buildings will be required to demonstrate a certain number of pre-sales as determined by the Agency and the Participating Lender prior to any draws on the construction loan. The determination as to the number of pre-sales will be on a case by case basis.
12. Construction loan extensions may require a complete re-underwriting of the loan to determine the funding gap. In certain cases this may require a subsidy adjustment.
13. Contingency should only be used for an unforeseen item.
14. A Personal Guaranty is required for all projects.
15. A letter of credit for up to 25% of the total financing may be required for mid-rise multi-unit buildings.
16. Sale price adjustments may require a new appraisal.
17. Section X has been revised.